
XXIX Payments for Non-covered Services Provided Under the Early and Periodic Screening, Diagnosis, and Treatment Program (EPSDT)

When services within the definition of medical services as shown in Section 1905(a) of the Act, but not covered in Kentucky's title XIX state plan, are provided as EPSDT services, the state agency shall pay for the services using the following methodologies:

- (1) For services which would be covered under the state plan except for the existence of specified limits (for example, hospital inpatient services), the payment shall be computed in the same manner as for the same type of service which is covered so long as a rate or price for the element of service has been set (for example, a hospital per diem). These services, described as in Section 1905(a) of the Social Security Act, are as follows:
 - (a) 1905(a)(1), inpatient hospital services;
 - (b) 1905(a)(2)(A), outpatient hospital services; 1905(a)(2)(B), rural health clinic services; 1905(a)(2)(C), federally qualified health center services;
 - (c) 1905(a)(3), other laboratory and X-ray services;
 - (d) 1905(a)(4)(B), early and periodic screening, diagnosis, and treatment services; 1905(a)(4)(C), family planning services and supplies;
 - (e) 1905(a)(5)(A), physicians services; 1905(a)(5)(B), medical and surgical services furnished by a dentist;
 - (f) 1905(a)(6), medical care by other licensed practitioners;
 - (g) 1905(a)(7), home health care services;
 - (h) 1905(a)(9), clinic services;
 - (i) 1905(a)(10), dental services;
 - (j) 1905(a)(11), physical therapy and related services;
 - (k) 1905(a)(12), prescribed drugs, dentures, and prosthetic devices; and eyeglasses;
 - (l) 1905(a)(13), other diagnostic, screening, preventive and rehabilitative services;
 - (m) 1905(a)(15), services in an intermediate care facility for the mentally retarded;
 - (n) 1905(a)(16), inpatient psychiatric hospital services for individuals under age 21;
 - (o) 1905(a)(17), nurse-midwife services;
 - (p) 1905(a)(18), hospice care;
 - (q) 1905(a)(19), case management services; and
 - (r) 1905(a)(22), other medical and remedial care specified by the Secretary.
- (2) For medically-necessary evaluative, diagnostic, preventive, and treatment services listed in Section 1905(a) of the Social Security Act included in an Individual Education Program under the provisions of the Individuals with Disabilities Education Act, the state shall pay in accordance with items (1) or (3), as applicable, except that for public providers the payment shall be a fee-for-service system designed to approximate cost in the aggregate without settlement to exact cost. The following describes the methodology utilized in arriving at the rates.

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- (a) The aggregate will be calculated for all participating public providers in the state. Initial interim rates will be established using data provided by the Department of Education from most of the public providers in the state and data gathered in surveys. During the first year, participating providers will be required to provide data which will be used to calculate final rates; claims paid using the interim rates will be adjusted after final rates have been established. This process will be repeated each state fiscal year as new providers are added and as previously participating providers experience changes with regard to their costs. Through this process, cost in the aggregate will only reflect the cost of participating providers on a statewide basis.
- (b) Payments to public providers are based on a statewide fee for each procedure code. A fee for a particular procedure code is based on the lower of the mean or median statewide cost of providing the service. The statewide mean and median cost to participating providers for a service is based on a 100 percent sample of the contracted service cost and/or cost associated with publicly employed professionals. Cost for publicly employed professionals consists of salary, fringe benefits and indirect overhead. Annual professional salaries are converted to hourly wages using 185 work days per year and six (6) work hours per day. For salaried employees the public provider fringe benefit rates for classified employees and for certified employees will be used. Indirect overhead cost computed at the rate of seven (7) percent of hourly wage salaries is added to the hourly wage rate and the fringe benefits to establish their hourly cost.
- (c) The mean and median hourly rate is calculated, for each class of qualified professionals, from an array of hourly cost data falling within one standard deviation of the mean. The resultant hourly rates are converted to fifteen (15) minute service units.
- (d) The following two (2) exceptions to usual cost reimbursement will be applicable: first, for emergency medical transportation, reimbursement will be based on the average cost per mile of pupil transportation calculated by the Kentucky Department of Education; and, second, for assistive technology, reimbursement will be based on the actual invoiced cost for the IEP authorized equipment. Transportation will be paid based on units of one (1) mile.
- (3) For all other uncovered services as described in Section 1905(a) of the Social Security Act which may be provided to children under age 21, the state shall pay a percentage of usual and customary charges, or a negotiated fee, which is adequate to obtain the service. The percentage of charges or negotiated fee shall not exceed 100 percent of usual and customary

charges, and if the item is covered under Medicare, the payment amount shall not exceed the amount that would be paid using the Medicare payment methodology and upper limits. Services subject to payment using this methodology are as follows:

- (a) Any service described in one (1), above, for which a rate or price has not been set for the individual item (for example, items of durable medical equipment for which a rate or price has not been set since the item is not covered under Medicaid);
- (b) 1905(a)(8), private duty nursing services;
- (c) 1905(a)(20), respiratory care services;
- (d) 1905(a)(21), services provided by a certified pediatric nurse practitioner or certified family nurse practitioner (to the extent permitted under state law and not otherwise covered under 1905(a)(6); and
- (e) 1905(a)(24), other medical or remedial care recognized by the Secretary but which are not covered in the plan including services of Christian Science nurses, care and services provided in Christian Science sanitariums, and personal care services in a recipient's home.

State Kentucky

XXX. Radiological (X-ray) Services

Payments for radiological services covered pursuant to the mandate contained in 42 CFR 440.30 shall be at usual and customary charges up to sixty (60) percent of the allowable physician fee for the same procedures where the physician is performing both the professional and technical portions of the service.

TN # 92-25
Supersedes
TN # None

Approved JAN 13 1993

Effective
Date 12-1-92

- XXXIII. Targeted Case Management and Diagnostic, Preventive and Rehabilitative Early Intervention Services for children eligible for the Early Intervention program provided through an agreement with the state Title V agency.

Payments for case management, diagnostic, rehabilitative and preventive Early Intervention services are on a per encounter or per item basis. Payments shall be based on documented costs for the direct provision of services. Documented costs do not include payment for administrative and indirect overhead costs of the Title V agency or its contractor state agency, the Department for Mental Health and Mental Retardation Services. The Title V agency, (or its contractor state agency, the Department for Mental Health and Mental Retardation Services) must maintain, in auditable form, all records of expenditures for services for which claims of reimbursement are made to the Medicaid agency. Payments to state agencies shall not exceed actual documented costs. An interim rate based on projected cost may be used as necessary with a settlement to cost at the end of the fiscal year.